

# A Vision for the Future: Fusing State Arts Agencies with Economic Development

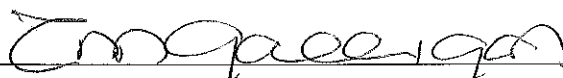
Lexie Olivia Grant

University of Oregon  
June 17, 2013

A MASTER'S CAPSTONE

Presented to the Arts and Administration Program of the University of Oregon in partial fulfillment of the requirements for the Degree of Master of Science in Arts Management.

A Vision for the Future:  
Fusing State Arts Agencies with Economic Development

Approved: 

Dr. Ann Galligan  
Arts and Administration Program  
University of Oregon

Date: 5-31-13

## Acknowledgements

“Sometimes the questions are complicated and the answers are simple.” – Dr. Seuss

I offer my sincerest gratitude to those who helped me to unravel my complicated questions and helped me realize that the answers to those questions can be simple. The research process is tedious but it is extremely rewarding. I have been fortunate to be surrounded by the following individuals who have made my research experience enjoyable.

Dr. Ann Galligan (Anng)- Thank you for being my mentor and for always reminding me to “put hands on wheel”. You have taught me that what doesn’t kill you, always makes you stronger. Wherever our adventures take us, I will always cherish my memories with you.

Justin “Bubbita”- You taught me to follow my gut, the importance of laughter and juju beans. To being my business partner and best friend....HUZZAH!

To my AAD Family (Faculty and Students): You are inspiring! I am honored to have your support inside and outside of the classroom. Thank you for being proud members of Team LOG.

Mom “Momma Bear” & Dad: Thank you for always sending me words of encouragement and for sacrificing so much for me. Even though I have made this big document, I will forever be your little girl. I lubba you!

## Abstract

The purpose of this Master's Capstone is to examine the role of state arts agencies and how they can incorporate economic development into their purpose. State Arts Agencies around the country are facing many challenges, including severe budget cuts and recovering from an economic recession. These changes are not new for state arts agencies but they have evolved to survive new challenges and embrace opportunities. To address these changes, state arts agencies are at a crossroads in deciding whether to incorporate economic development projects and programs into their purpose and missions. Through a synthesis of coursework and an extensive literature review, this research project serves to compare various state arts agencies and to inform staff at state arts agencies of major trends and areas to be aware of regarding funding streams and policy windows.

**KEYWORDS:** State Arts Agencies, Economic Development, Industrial Policy, and Policy Windows

## Table of Contents

### CHAPTER 1:

INTRODUCTION AND CONTEXT.....	6
-------------------------------	---

### CHAPTER 2:

THE ROLE OF STATE ARTS AGENCIES .....	15
---------------------------------------	----

### CHAPTER 3:

FUSING INDUSTRIAL POLICY AND THE ARTS .....	35
---	----

### CHAPTER 4:

A VISION FOR THE FUTURE OF STATE ARTS AGENCIES .....	50
--	----

REFERENCES .....	53
------------------	----

## **Chapter 1: Introduction and Context**

### **Problem Statement**

Little research exists pertaining to how state arts agencies incorporate economic development within their roles or purposes. There is a need for an in-depth exploration of the relationship between state arts agencies and socio-economic development in the United States because of the significance of state arts agencies in policy formation and sustainability. Furthermore, there is a call for state arts agencies to utilize economic development strategies to prevent budget cuts and to help stabilize the economy within their regions. In order to provide support for the arts, state arts agencies need to understand how and why they are necessary within the governmental arts support system and how they can contribute to economic development. Currently, state arts agencies are questioning their future and their role within the governmental system to include programs and support for projects that feature economic development.

If state arts agencies are going to change their role to include economic development, they must maximize their overall efficiency. These economic projects and programs must be assessed through performance standards. Assessing is an evaluation process that estimates that the quality, the ability to calculate the value of a specific subject. State arts agencies are assessed through performance standards. These standards include efficiency, outputs, satisfaction, and outcomes. As Margaret Wyszomirski (1998) stated, “Like other government agencies, SAAs recognize that the effort at performance review can provide important resources for strategic planning and management as well as for effective advocacy and the allocation of adequate budgets” (Wyszomirski, 1998). However, state arts agencies struggle to measure their impact. The reason for this is from the public’s awareness about how state arts agencies operate and how they fit into the cultural policy structure. This creates a challenge to identify and operationalize

the outcomes of these agencies especially for state arts agencies with economic development projects and programs. Yet assessing state arts agencies' economic development projects and programs serves three important functions within the cultural policy field. These functions are identifying methods, actions, or techniques that state arts agencies can improved; anticipating problems or criticism of a state arts agency's actions before they cause a political firestorm, and legitimizing state arts agencies so that they are able to gain recognition and support to further their purposes. Therefore, the need for research concerning this topic is pivotal for the future of state arts agencies throughout the nation.

### **Research Questions**

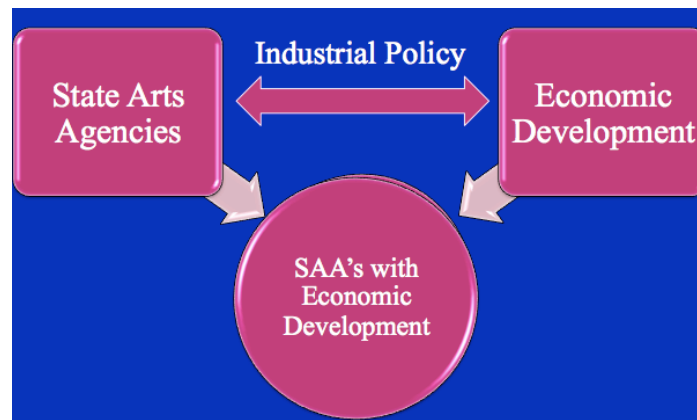
Ultimately, this capstone research seeks to answer the following question:

- Can state arts agencies be fused with economic development?
  - With this question in mind, the research answered the following sub question. How can state arts agencies revamp their role to incorporate economic development?

### **Theoretical Framework**

This research seeks to explore state arts agencies that use economic development thorough industrial policy and to better understand why they need to do so. Understanding how various state arts agencies could incorporate economic development programs within their role is fundamental to understand many of the barriers that state arts agencies are currently facing. This paper will provide an in-depth review and synthesis on state arts agencies' role with an emphasis on economic development (outlined in Figure 0.1).

Figure 0.1- Theoretical Framework informing this inquiry.



### Methodological Paradigm

As a post-positivist researcher, I believe that reality is not ridged but instead a “creation of those individuals involved in the research” (Crossen, 2011). With this in mind, various factors such as cultural beliefs, race, class, and gender influence reality and create complex relationships between “individual behavior, attitudes, external structures, and socio-cultural issues” (Crossen, 2011). It is significant to conduct this research on state arts agencies as such because of the strong personal influence each staffer has on the agency’s interaction with the public. Since each state arts agency has its own reality based on the demographics of its constituents’ profile, it is necessary to have a post-positivist view on this subject. Personal biases, such as my strong belief in the importance of conceptualizing how these factors frame each state arts agency have strongly informed my research. Also my professional biases, such as my belief that state arts agencies should be fused with economic development initiated from my previous experiences with working for and with the Pennsylvania Council on the Arts and the New York State Council on the Arts. In her biography, Zora Hurston, an American folklorist stated, “Research is formalized curiosity. It is poking and prying with a purpose” (Plant, 2007). Hurston’s stance on



research is similar to my beliefs about how and why research is a significant instrument for cognitive development.

## **Definitions**

State arts agencies: The general purposes for state arts agencies according to Kevin Mulcahy's article *The State Arts Agency: An overview of Cultural Federalism in the United States*, is "to stimulate and encourage presentations of performing arts and fine arts; to encourage public interest in the arts, to make surveys of public and private institutions engaged in artistic and cultural activities, to make recommendations on methods to encourage participation in and appreciation of, the arts to meet the needs of the state, and to encourage freedom of artistic expression" (Mulcahy, 2002). Every state arts agency functions differently, which is important to stress because this creates confusion and complexity throughout the entire governmental arts system. Although the functions and funding streams vary between each state, the state arts agency's employees' duties are complex and complicated due to the constant monitoring of the local programs and projects, and communicating to the National Endowment for the Arts (NEA).

Defining socio-economic development: According to Professor Michael Hibbard, socio-economic development is "guiding the long-term processes of generating appropriate jobs and creating community wealth" (Hibbard, 2012). Furthermore Hibbard explains that socio-economic development is "About the fundamental question of environmental sustainability and social equity-how to advance the twin agenda of healthy communities and healthy environments" (Crossen, 2011).

## **Delimitations**

This study focuses on state arts agencies and theories of development, policy framework and programs, and the process of incorporating economic development within state arts agencies.

The study acknowledges that state arts agencies have the ability to contribute to socio-economic development; however, the focus of this study is primarily framed by how to fuse economic development within the structure of governmental agencies. As a capstone research, a specific state arts agency was not delineated for analysis. Instead, various state arts agencies were examined based on their limited ability or capacity to incorporate economic development within their roles.

### **Limitations**

This study led to the development of explanations on how state arts agencies can be connected to economic development and suggestions for how state arts agencies could incorporate socio-economic development into their processes.

It is important to first acknowledge my personal interest in this research. Being the Cities and Communities Intern at the Pennsylvania Council on the Arts in the summer of 2010 and the Executive Office and Special Projects Intern at New York State Council on the Arts since the summer of 2012, I have witnessed how two state arts agencies combine economic development with their role. However, each of these agencies contributed to economic development in a variety of methods and processes. As a prospective executive director of a state arts agency, it is critical to understand how state arts agencies need to contribute to economic development and how to support economic growth in their respective states.

### **Research Strategy**

A literature review was the largest aspect to this research because of the wide range of journal articles and books that have stemmed from previous research on state arts agencies. Also a document analysis worksheet provided a monitoring tool for secondary data collection within the literature review. In order to help track and monitor the analysis and utilization of this

method, this data analysis worksheet was a guide for each document. An organizational technique is crucial to ensure credibility of my research therefore, I utilized large binders to collect these articles and photocopy various pages of books, highlight key phrases with various color codes, and staple the document analysis worksheet onto each journal and photocopy of various chapters in books. For a sample of the course progress report, please refer to appendix A.

In order to ensure the validity and credibility of this research capstone project and to assist in answering the question of whether state arts agencies are necessary for socio-economic development in America, triangulation will occur between a throughout website analysis, document analysis, and participation in the University of Oregon's courses. Utilizing peer debriefing, member checks with Dr. Ann Galligan, and a reflective journal to capture my thoughts, guided and ensured that my research is ethical. It is with these techniques that I employed to establish trustworthiness in my capstone.

With trustworthiness in mind, there are three research instruments that have assisted with this process of establishing credibility. These research instruments are a document analysis worksheet, website analysis worksheet, and course progress report. The ultimate goal was to use these tools throughout my research timeline and to incorporate them to assist with my analysis. Additionally, these tools created an organizational structure where the course progress report, document analysis worksheet, and website analysis worksheet allowed coding to occur, making an organized extraction of key terms, theories, resources, and figures. It is with this extraction of key terms, theories, resources, and figures that provided an outline for the chapters of this capstone plus have allowed me to explore content in an organized fashion.

Since each state arts agency is different in the way they function, serve, and evaluate their funding programs and projects, being able to access various agencies' websites were essential for

my research. Additionally, accessing National Assembly of State Arts Agencies' (NASAA) website allowed me to receive their studies that compare state agencies with other state arts agencies. Furthermore, having a website analysis worksheet will allow me to gather significant information and key findings from various state arts agencies' websites and from NASAA. This web analysis worksheet tracked and monitored each website that I visited and documented how each state arts agency features its published information. After I visited these websites, I created a website analysis worksheet binder that held the website analysis worksheets. This allowed me to organize by key points, phrases, and/or terms and begin the coding process. (To view a sample of the web analysis worksheet please refer to Appendix B.)

The course progress monitors the connections between two courses. This report was vital with combining an Independent Study course with Dr. Galligan and infusing it with the Socio-Economic Development Planning course with Dr. Hibbard in winter, 2013. Since there are key theories, readings, lectures, presentations, and projects, this report allowed tracked my understanding and journey of exploring are state arts agencies necessary for socio-economic development. I incorporated two significant courses that pertain to economic development and the arts. This report also monitored how I connected these courses together and processing the information weekly. (For a sample of the course progress report, please refer to Appendix C.)

### **Research Approach and Strategy**

Figure 0.2 demonstrates the research approach used throughout this study. This visual highlights how the literature review, website analysis, and the case studies connected to form the analysis of each chapter. Furthermore, the strategy of inquiry used within this research process is through qualitative methods. It is within this qualitative methods that grounded theories in socio-economic development and state arts agencies were explored. Historical and comparative

exploratory research was focused on various state arts agencies. Enrolling in an Independent Study course with Dr. Galligan titled “State Arts Agencies: A Vision for the Future” allowed me to have an in depth focus on state arts agencies. Since Dr. Galligan is familiar with state arts agencies and cultural policy, I learned about a variety of state arts agencies; how they function, their history, key current-day issues, and present opportunities. Plus, I investigated how specific state arts agencies have infused socio-economic development into the grant programs or projects. Since socio-economic development is not within my academic background, enrolling in the Socio-Economic Development course enabled me to understand it on a state-level through policy framework and programs. Additionally, I learned about the theories of development and the associated techniques to execute these theories into practice.

Figure 0.2- Research Approach



## **Structure**

The overall purpose of the final document of this terminal capstone is for state arts agencies to understand that it is possible to combine economic development within their duties as governmental agencies. The second chapter showcases state arts agencies and the third chapter compares how state arts agencies use economic development. Lastly the fourth and final chapter, discusses the future for state arts agencies and the potential for opportunities that they may encounter by fusing economic development within their program and project streams.

## **Chapter 2: State Arts Agencies**

### **Introduction**

The arts are comprised of many disciplines that demonstrate creativity, dedication, passion, and skill. Whether it is within the performing arts or the fine arts, every type of arts forms the foundation to many cultures. It is this foundation that makes the arts critical to preserve and expand for the future generations. In the United States in many ways, the arts are preserved through governmental arts agencies. These agencies are formed at local, state, and federal levels to ensure that each agency is held accountable for financially supporting and bringing awareness to their constituent groups. However, national and local arts agencies depend on state arts agencies to create a collective agency. A collective agency connects various groups, organizations, and individuals with a variety of fields or governments.

This collective agency must allocate or distribute funding equally from the National Endowment of the Arts (NEA) to local arts agencies throughout the US with the assistance of state arts agencies. State arts agencies' foster a partnership between federal and local arts agencies. This partnership also needs to be analyzed in order to understand state arts agencies' current role and why these agencies are significant within the governmental arts system. Although local and federal arts agencies rely on state arts agencies to make a collective agency, this dependence highlights the complexities within the governmental system and showcases the partnerships or roles between local, state, and federal arts agencies. This chapter describes and discusses the role of state arts agencies, policy actors, assessments and advocates of state arts agencies, and the ideal state arts agency.

### **The Role of State Arts Agencies**

The partnership between federal, state, and local arts agencies involves risks and can either be beneficial or disastrous for each partner. Unlike arts and nonarts partnerships, the partnership between these arts agencies are highly dependent on in order to carry out their visions and missions. However, these risks between the partnerships of are similar to those of arts and nonarts partnerships. As mentioned in *Arts and Nonarts Partnerships: Opportunities, Challenges, and Strategies (2004)*, “reputations, constituent relations, organizational missions, and investment of time, money, and expertise” (Walker, 2004) are at stake within a partnership. The similarities between the risks of arts and nonarts partnerships and the partnerships formed between governmental arts agencies are the reputations and the perceptions that are created among the agencies. Additionally, another similar risk involves investment of time, money, and expertise. These can foster a negative or a positive relationship between the federal, state, and local arts agencies. For example, if one state arts agency does not match the time, money, and expertise into getting a local agency the funding needed to receive a federal grant, then there is the potential for liabilities and risks within the governmental arts system. Additionally, these factors will effect the agency’s reputation and their constituents’ perception about them, which may lead to the elimination or decrease in governmental funding towards the state from the federal level. As *Arts and Nonarts Partnerships: Opportunities, Challenges, and Strategies (2004)*, mentioned, “Success depends on each partner’s willingness and ability to live up to its part of the bargain” (Walker, 2004) and this is certainly the case between the partnerships of local, state, and federal arts agencies. In order to gain this success and ensure that each partner lives up to its part of the bargain requires trust, dedication, and effective communication so that the liabilities and risks are limited.



In *The Public Life of the Arts in America* (2000), a visual diagram demonstrates how the governmental arts system needs to be remolded in order to emphasize the importance of the arts and to restore the “vision” of the federal arts system being a collective agency. The visual is of an apple tree where the ground and the roots are the cultural community and the general public values. Both the culture community and the general public values influence and feed off of each other with the private and public spheres of an individual’s life. “For the arts and cultural community, such values include artistic freedom, creativity and individualism...For Americans, these values (the general public values) would include liberty, pluralism, fairness, and equality, as well as general support” (Cherbo & Wyszomirski, 2000). The trunk of this visual tree is the values, which includes public purposes and contain include broad goals. These general goals support the branches, which are policy issues or risks.

Keeping this tree visual in mind and the complexities that can occur throughout the policy system, the current partnership among federal, state, and local agencies is filled with the constant monitoring of the risks and liabilities within the governmental system. It is through effective communication and trust that this monitoring of local and state arts agencies occurs at the federal level. An example of this is the NEA. The NEA is one federal arts organization within the governmental system that supports the arts. However, the NEA like most arts agencies is influenced through politics and economic fluctuations. The NEA receives its funds through Federal appropriations and then divides a percentage of this money to the state arts agencies (“National Endowment for the Arts,” 2012). The relationship or roles between the NEA and the state and local arts agencies is described by Jeffrey Love in, *Sorting Out Our Roles: The State arts agencies and the National Endowment for the Arts* (1991), as complicated. This complexity is caused by the overlapping of duties and can create unsustainable use of an agencies expertise,

time, and money and can lead to various outcomes or directions for an agency. In return, this can cause a negative perception of an agency such as the NEA for being inefficient or unproductive and can spark miscommunication among state and local arts agencies and the NEA.

Similar to being influenced through politics, economic fluctuations, overlapping of duties, and complexities, state arts agencies' partnerships with local agencies rely heavily on the NEA. This is because state arts agencies are the "middleman" or a conduit between the local organizations and the federal arts organizations. Every state arts agency functions differently, which is important to stress. The general purposes for state arts agencies according to Kevin Mulcahy's article *The State Arts Agency: An overview of Cultural Federalism in the United States*, is "to stimulate and encourage presentations of performing arts and fine arts; to encourage public interest in the arts, to make surveys of public and private institutions engaged in artistic and cultural activities, to make recommendations on methods to encourage participation in and appreciation of, the arts to meet the needs of the state, and to encourage freedom of artistic expression" (Mulcahy, 2002). Each state arts agency is associated with the Office of the Governor and is included in the state budget. Yet since the economic downturn starting in 2007, many arts agencies have endured extreme budget cuts and currently struggling to survive in the existing economic situation.

It is evident that state arts agencies were succeeding and achieving such goals at a previous time, but now the ability for them to achieve their purposes, mission, and goals is becoming more and more limited due to the severe budget cuts. However, the majority of local arts organizations and artists depend on the state's to fund project or programs through the state arts agency's grant process. In return, SAAs have to rely more than ever on the NEA to makeup the financial difference that is caused from these budget cuts.

## **The Pennsylvania Council on the Arts**

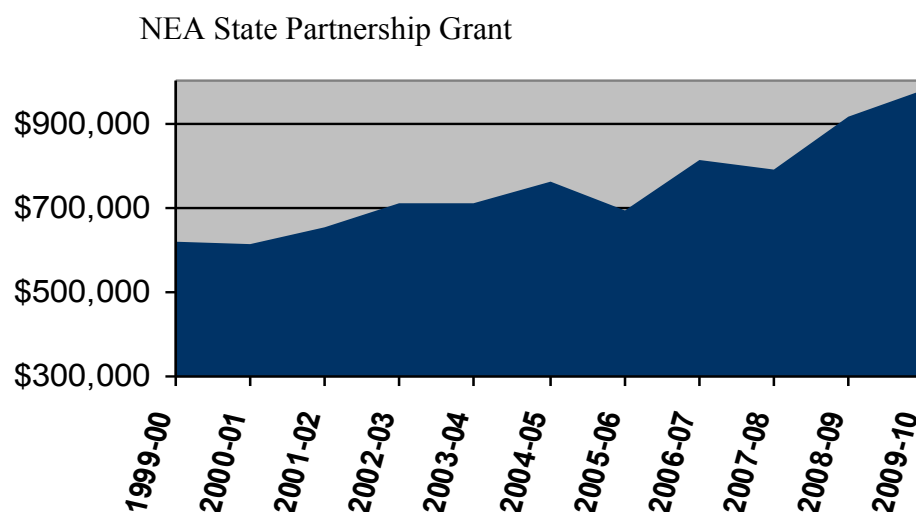
An example of a state arts agency's increased dependence on the NEA is the Pennsylvania Council on the Arts, which is Pennsylvania's State Arts Agency. Established in 1966, the Pennsylvania Council on the Arts (PCA) hosts many events statewide such as the Governor's Awards, Teachers Artists Partnership Institute, and the Farm Show ("Pennsylvania Council on the Arts," 2012). Although funding for the arts has decreased within the past four years, the PCA is vital to provide financial support for the arts throughout the State of Pennsylvania through local arts agencies. Pennsylvania's local arts agencies are reliant on the funds that the NEA distributes to the state. It is through the understanding of this state arts council's grant process and organizational structure that the state and local arts agencies' dependence on governmental financial support is highlighted and bring awareness to the partnership between the NEA, PCA, and its local arts agencies.

The first step to understanding the need for governmental support is to explain how state arts agencies are federally funded through the NEA. The NEA divides its allocations through a national arts agency, The National Assembly of State Arts Agencies (NASAA), who in turn, strengthen state arts agencies by organizing each state arts agency into regional groups: Arts Midwest, Mid-America Arts Alliance, Mid Atlantic Arts Foundation, New England Foundation for the Arts, South Arts and Western States Arts Federation are such regional groups ("National Assembly of State Arts Agencies," 2012). Annually, conferences are held within each region to develop communication between each state arts agency. The Pennsylvania Council on the Arts is within the Mid Atlantic Arts Foundation and receives funds from the NEA through NASAA.

According to the NEA website, "The National Endowment for the Arts was established by Congress in 1965 to allocate 40% of its grant funds to states and regions" ("National

Endowment for the Arts," 2012). In 2010, the Pennsylvania Council on the Arts received \$100,000 grant from the NEA. This money is used to support the grants and a few statewide arts programs. Figure 1.0 shows how much money the NEA gives to the PCA. Especially with the current economic situation, the PCA would not exist if the agency did not receive support from the NEA. The stability of support from the NEA is flexible, but the funds from the NEA prevent the PCA from becoming bankrupt and help to continue supporting the arts in the Keystone State.

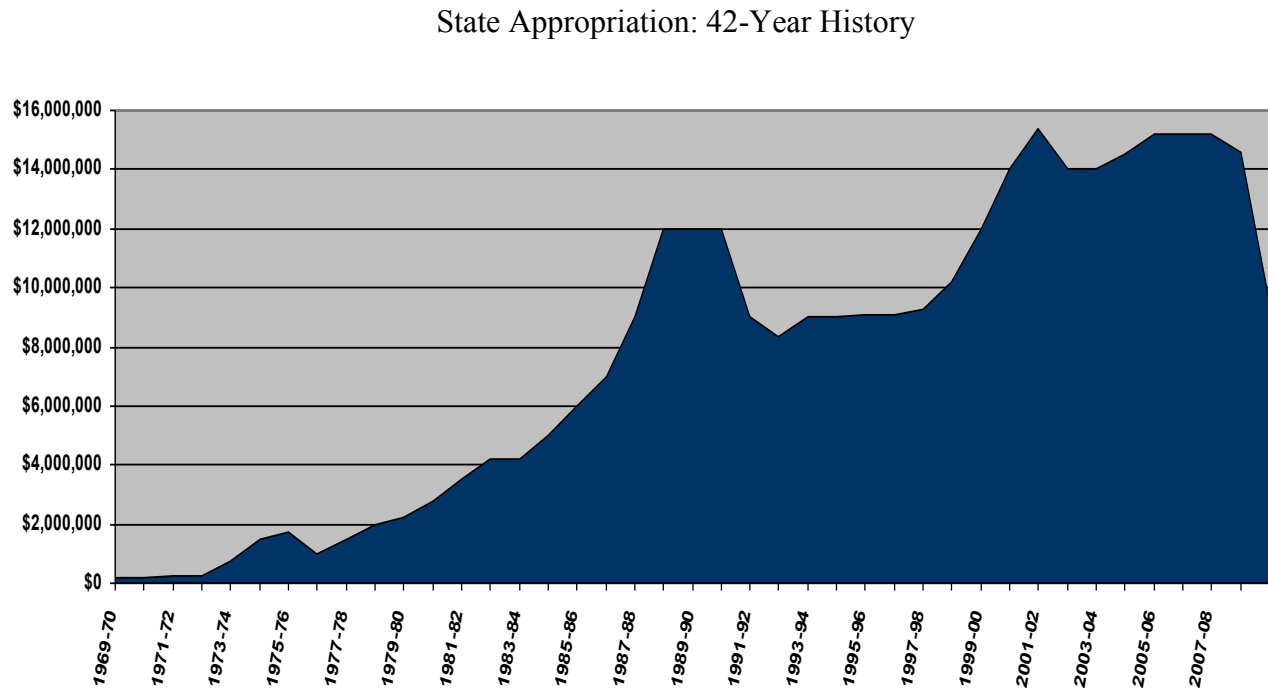
FIGURE 1.0: NEA State Partnership Grant



Data provided by the *Pennsylvania Council on the Arts*

In 2009-2010 the budget for the PCA was \$11 million and the budget for 2010-2011 is 8.4 million plus \$100,000 decrease to the administration/operation budget. Various grant processes were put on hold during the 2010-2011 year ("Pennsylvania Council on the Arts," 2010). This means that many of the Pennsylvania Partners of the Arts (PPA) were eliminated due to management constraints. However, if these specific grant process is eliminated, then the PCA will only be dealing with a statewide arts program. This elimination cost at least three jobs to be cut from the 2010-2011 budget. Within the past three years, the PCA's budget has been decreased 50%. Figure 1.1 shows how much money the Commonwealth of Pennsylvania gives to the PCA. By looking at this figure, the drastic decrease of state funds is impacting the PCA.

FIGURE 1.1: State Appropriation: 42 Year History



Data provided by the *Pennsylvania Council on the Arts*

The PCA's mission is "to foster the excellence, diversity and vitality of the arts in Pennsylvania and to broaden the availability and appreciation of the arts throughout the state" ("Pennsylvania Council on the Arts," 2012). The PCA accomplishes its mission through a combination of grants to the arts, technical assistance to partners and applicants, and serves as a resource for arts-related information. In addition, the PCA creates partnerships and initiations throughout the Commonwealth of Pennsylvania. The PCA grants are the largest and most common action of the PCA. The Pennsylvania Council on the Arts is known for the excellent grant giving and support to organizations and individuals. The grants that the PCA provide, "Supports Pennsylvania's creative industry in providing cultural services, stimulates engagement between and among community leaders, arts organization and artists, and aligns the PCA's policies and programs to create a more efficient and effective agency" ("Pennsylvania Council on the Arts," 2012). The grant process at the PCA has two different tracks: Program Stream and

Project Stream grants. These tracks allow for non-profit and for-profit organizations to apply and receive funding as well as individual citizens. Figure 1.2 demonstrates the number of regions that utilized project and program stream grants from the PCA from 2002-2009, the number of applications received at the PCA, the number of applications funded, and the average grant made to the project and program stream applications that were funded. Unfortunately, figure 1.2 also shows how drastic the decrease is in the number of applications received, funded and the average grant made. This decrease has impacted the arts in Pennsylvania and the Pennsylvania Council on the Arts.

Figure 1.2: PPA Grants Data Project and Program Stream

#### PPA GRANTS DATA PROJCTET AND PROGRAM STEAM

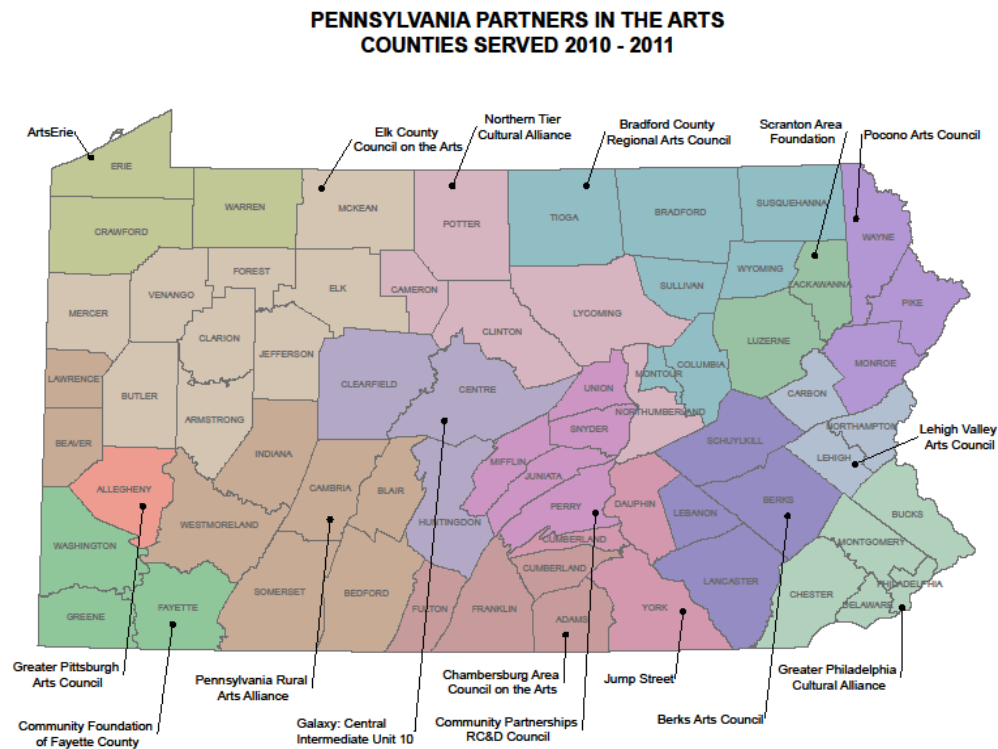
	2002	2003	2004	2005	2006	2007	2008	2009
Number of Service Regions	13	13	13	13	15	15	17	17
# of Applications Received	1,082	1,041	1,026	944	1,024	1,094	1,099	972
# of Applications Funded	648	699	772	745	766	782	880	795
Average Grant Made	\$1,607	\$1,625	\$1,780	\$1,865	\$1,838	\$2,341	\$2,121	\$1,882

Data provided by the *Pennsylvania Council on the Arts*

Project and Program stream utilize Pennsylvania's Partners in the Arts (PPA) to allow each county within Pennsylvania to receive funding. Figure 1.3, shows the current partners and how each partner has multiple counties and constituents. Similar to the PCA goals, the PPA's goals include, "Expand constituent access to the arts and encourage and support local decision-making plus the regranting of state arts dollars. Other goals include, increasing the awareness and provide advocacy for government support and funding of the arts at the local and state

levels, and to enable the PCA to provide increased assistance to its broad constituency throughout the state” (“Pennsylvania Council on the Arts,” 2012).

Figure 1.3: Pennsylvania Partners in the Arts Counties Served 2010-2011



The Map is provided by the *Pennsylvania Council on the Arts*

The PPA Project Stream has an application process plus a panel review process. These processes ensure that the quality of the artistic product, process, and services are held at a high standard. In addition to these processes, PPA Project Stream makes the availability of the arts statewide and takes into consideration the management of these projects. Project Stream grants go to non-profit organizations and individuals. The PPA Project Stream provides grants of up to three thousand dollars and each applicant must apply annually. However, the first and second year grantees do not need to show a match in grant funds. The application to the PPA Project Stream is located on the PCA's website and submitted electronically and standard mail. The other process besides the application, panel meetings, consist of five to fifteen individuals

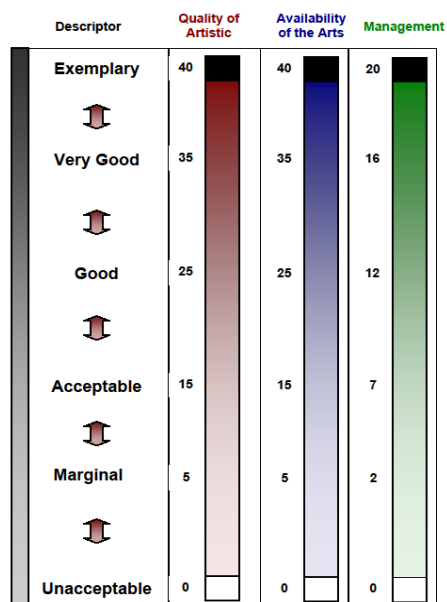
depending on how many applications the partner receives and use only the published criteria to evaluate each application.

In addition, panelists must adhere to the published weighting of the criteria.

("Pennsylvania Council on the Arts," 2012). The criteria and scoring of each application includes the quality of artistic product/process/services for forty points. This means that the quality of project goals and measurable objective must address the project goals. These project goals may include an artistic product (such as a performance, exhibition, or other public event) or artistic process or service (such as classes, workshops, etc.). The quality of the artist(s) and others must be principally responsible for the project and the quality of the work represented by the work sample, support materials, and/or venue of activities (if applicable). The second project goal is the availability of the arts (40). This includes the demonstrated knowledge of target audiences and effective plans to reach the general public, including target audiences. The final and third goal is management (20 points). The management criteria include the appropriate budget, evidence of developing other support, such as business support, in kind support and shared services (if applicable), and ability of staff, volunteers and/or board to manage effectively and implement programming. The following figure 1.4 demonstrates the criteria and scoring thermometer for each Project Stream application.



Figure 1.4: PPA Project Stream Scoring



#### PPA Project Stream Criteria and Scoring Thermometer

*Provided by the Pennsylvania Council on the Arts*

Similar to PPA's Project Stream, the PPA Program Stream has the same procedures and goals except the PPA Program Stream does not have a financial cap. Therefore, the grant can be more than three thousand dollars. However, the applicant must be recommended by the PCA to apply for the Program Stream. Like Project Stream, Program Stream grants are awarded on an annual basis. Typically, the applicant has been in the Project Stream repeatedly and has excellent on-going programs. Both Project and Program Streams are for organizations that make less than \$200,000. If an applicant makes more than \$200,000 then they are sent to Entry Track. Entry Track is for ongoing programs and can receive no more than \$20,000 per grant. If the applicant is recommended by the PCA for the Arts Organizations and Arts Program (AOAP) Track for ongoing program support, then they do not have a fiscal cap on the award of the grant. However, if the applicant's fiscal size decreases, then they are moved into Program Stream ("Pennsylvania council on the arts," 2012). For example, one applicant was able to receive a PPA Project Stream

grant that gave a local artist the funds to teach children how to paint on sidewalks and buildings. The final project of this grant was to create a mural on several dilapidated buildings with the help of the children. Not only did this provide an opportunity for young children to get involved in the community and get exposed to the arts in a positive way, but it also provided community empowerment and appreciation for a dilapidate urban area. This is just one example of how a local artist or arts organization changed a society through the arts. However, most of these projects or programs would not be possible if it wasn't for the funding from the Pennsylvania Council on the Arts and local arts agencies within Pennsylvania; as a result, many projects are dependent on this funding to ensure that these experiences for communities are possible.

Another example of how an arts council utilizes the PPA Program Stream, to create arts focused opportunities that instigate community empowerment is the Adams County Arts Council. According to the Adams County Arts Council's website, "Incorporated in 1993, the Adams County Arts Council has evolved from a small group of optimistic organizers into a 500-member nonprofit agency supporting artistic efforts throughout the county's schools and communities" ("Adams County Arts," 2012). Throughout the fiscal year, Adams County Arts Council implements a variety of arts programs through Imagination Station and other programs. The Imagination Station is located in a subunit near the Adams County Arts Council where for a membership or non-membership fee ranging from \$24 to \$105, an individual can participate in various activities such as visual artistry, knitting, kitchen and bath design, drawing, wood dyeing, and photography. With these programs, Adams County Arts Council supports their mission of cultivating an arts-rich community ("Adams county arts," 2012). However, the Imagination Station would not be possible if it wasn't for the governmental funds from the NEA through the PCA.

As proven above, local and federal arts agencies rely on state arts agencies to make a collective agency that fosters arts awareness and support. This reliance showcases the complexities of state arts agencies and how their dependence on the NEA can create a partnership that involves risks and liabilities. However, by monitoring these risks and liabilities, the NEA is able to distribute funding to local arts agencies through state arts agencies and in return, these state arts agencies foster a partnership between the NEA and local arts agencies. In order to understand the roles and relationships among federal, state, and local agencies, this partnership between the NEA and local arts agencies must be analyzed and a survey is recommended to showcase each arts agent's work environment within these agencies. By analyzing these partnerships, the ability to understand why these agencies are significant in composing the arts through the roles or relationships between governmental arts agencies becomes apparent.

### **The Power of Policy Actors**

Cultural policy is dynamic. Individuals who positively or negatively shape cultural policy are policy actors. These actors are located on the federal, state, and local levels and include elected officials, lobbyists, political parties, and constituents. Cultural policy actors compose a policy coalition. As mentioned in *Policy and Power; A Conceptual Framework between the 'Old' and 'New' Policy Idioms*, “A *policy coalition* consist of a number of players who share resources and/or interpretations of a policy discourse, in the context of the rules of the game” (Arts & Tatenhove , 2004). In the case of cultural policy, the players are the policy actors who create a discourse about a cultural policy or change that influences the arts and cultural sector. This policy coalition creates this discourse in the context of the political field. It is then, in the context of the political language or terms, that policy coalitions identify actors “who are the

‘right’ policies players to be involved, and those who are not” (Arts & Tatenhove , 2004). By identifying who is ‘in’ and who is ‘out’, policy coalitions’ boundaries become obscure. This obscurity is defining how can a policy actor get ‘in’ to these policy coalitions and what is the relationship between the outsiders and the insiders of these coalitions.

With these coalitions in mind, the concept of power is the foundation for cultural policy. Power defines which policy actor ‘in’ or ‘out’ of these policy coalitions. As Arts and Tatenhove pinpointed, “in general, power has to be regarded, on the one hand as the ability of actors to mobilize resources in order to achieve certain outcomes in social relations, and, on the other, as a dispositional and a structural phenomenon of social and political systems” (Arts & Tatenhove , 2004). Therefore, cultural policy coalitions must be able to open policy windows to achieve their desired goals and to create change or support social and political systems. Simply, policy actors are individuals who compose policy coalitions or groups that have power. With the policy actors and coalitions in mind, power is the basis of cultural policy practices that the actors and coalitions utilize to create, implement, and assess projects or programs.

Furthermore, these practices are based on policy arrangements. According to Arts and Tatenhove, "A policy arrangement refers to the way in which a policy domain is shaped, in terms of organization and substance, in a bounded time-space context” (Arts & Tatenhove , 2004). Cultural policy arrangements have principles, measures, and objectives to ensure substance and organization with procedures, departments, and competence. Plus they are time based meaning that they change depending the current events that are occurring throughout the nation, state, and local communities. This allows for cultural policy arrangements to evolve and occur at a variety of policy-making levels (local, state, and national). In regards to state arts agencies, policy actors and coalitions include elected officials, lobbyists, political parties, and constituents on the

local, state, and national levels. These three levels add to the complex structure and role of state arts agencies. It is challenging to define and identify these policy actors and coalitions for state arts agencies because the policy actor and coalition networks are robust.

### **Advocating for State Arts Agencies**

Donna M. Binkiewicz (2004) in *Federalizing the Muse: United State Arts Policy & the National Endowment For the Arts 1965-1980*, offers a glimpse into the shifts and major players of arts policy beginning in 1965 through 1980. Although Binkiewicz showcases many politicians and specific policies such as the New Deal Works Progress Administration (WPA) art projects, President Theodore Roosevelt and President John F. Kennedy, funding and support for the arts seems to be a rollercoaster where there are ups and downs.

These ups and downs mirror a variety of shifts in public opinion on whether the arts should be supported by the Federal Government. Furthermore the ups within arts policy from 1965-1980 have had specific figureheads or leaders who advocate for arts projects or programs. On the other hand, the downs within arts policy from 1965-1980 seem to mimic a combination of misunderstandings and controversies about what constitutes art and should the federal government fund such art. For the most part, state arts agencies have experienced and continue to experience these rollercoaster rides. Yet, state arts agencies have had to tackle the downs and embrace the ups by forming a variety of techniques to teach, support, and campaign for arts advocates. Since SAAs must prepare for the downs during the ups and figure out how to create the ups during the downs, they must advocate on a local, state, and national level. In many ways, being an advocate must constantly evolve. Like Livingston Biddle, former acting NEA Chairman stated, *Our Government's Support for the Arts: Nourishment or Drought* (1984), "The arts are

never static. They constantly evolve.” Therefore, the need for state arts agencies to evolve is crucial for preventing the downs.

According to The NASAA Advocate, *Strategies for Building Arts Support (2012)*, “Lobbying always involves advocacy, but advocacy does not necessarily involve lobbying”. State arts agencies are the ultimate advocates for the arts because they have to cultivate awareness and support on the local, state, and federal levels. “State funding for the arts has nearly doubled in the last decade, as advocates have successfully demonstrated the benefits of the arts investment in economic, social and educational terms” (NASAA, 2012). Often times, they are viewed as lobbyists by asking a legislator to vote for an increase in arts funding or urging legislators to defeat a bill that would hinder the funding of the arts projects or programs. In many ways, state arts agencies are the foundation for advocacy and lobbying because they are constantly networking and building relationships on behalf of the arts.

The National Assembly of State Arts Agencies (NASAA) issues various guides for state arts agencies to assist with advocating or lobbying. In *Strategies for Building Arts Support* (NASAA, 2012), forty action strategies were identified by volunteer and professional arts advocates throughout the United States of America to show how to effectively advocate for and how to change arts policy. These strategies include to identifying candidates, leading an orientation briefing, linking public arts funding, generating public service announcements, instituting a legislative committee on the arts, fostering and employ a statewide coalition, establishing an effective advocacy committee, recognizing politicians, promote alliances, cultivating legislative friends for the arts, meeting your elected officials, developing advocates in other organizations, distributing an advocacy kit, standing up at election time, and building a vocal and informing local constituency to support advocacy efforts. Although these strategies

may seem simple, they are the foundation for state arts agencies and local constituents to begin to enter into the political field.

Working in a coalition to advance a collective strategy has been monumental for the Pennsylvania Council on the Arts. This strategy has allowed Pennsylvania's state arts agency to recruit mayors, county commissioners, and other various local public officials to contact the governor and state legislators with "persuasive messages to advocate on behalf of increased funding for the arts in the state budget" (NASAA, 2012). Of course, establishing and continuing these relationships with public officials require constant time and energy for the staffers at the Pennsylvania Council on the Arts, this has allowed them to prepare for the downs and advocate for the ups of funding for the arts.

### **The Ideal State Arts Agency**

According to Kelly Barsdate in *Information Sources for State-Level Arts Policy: Current Resources and Future Needs* (2001), it is a requirement for state arts agencies to have an effective information platform where eight ideals could be articulated, implemented, and assessed. These eight ideals embrace research and fill in several of the gaps Barsdate mentions as state arts agencies' ultimate "blind spot". The "blind spot" include a lack of geographic specificity, financial emphasis, incomplete understanding of the arts sector as a whole, input/output emphasis, uneven to legislative monitoring, limited research capacity within cultural agencies, and a severe lack of independent research. Barsdate's eight ideals to solve these "blind spot (s)" include, a complete picture of arts funding at the state level, public purposes, mechanisms used to distribute arts dollars, quality fundamental data, support state-by-state comparisons, ready access to the information, encourage collaboration, and adaptation. However,

the road to solve these “blind spot” for state arts agencies are complex and challenging due to the various relationships and timing of cultural policy.

In *Government and the Arts: An Overview* (M. Cummings Jr., 1991), showcases the controversies and barriers that state arts agencies and the National Endowment of the Arts have had to overcome just to stay in existence. Cummings highlights two questions that have been centered on the government and the arts. The first question is “Should the government be spending *any* public money to aid the arts?” and the second question is “If and when the government did spend money on art, did the people-both government decision makers and the general public-like the art they got?” (Cummings Jr., 1991). Now in 2013, these questions still instigate a whirlwind of debates but are still valid especially with how state arts agencies distribute and receive their funding.

With this in mind, *Decentralization of Arts funding from the Federal Government to the States* (Dimaggio, 1991), defines “decentralization” as “the redistribution of resources or authority from a single agency or level of government to one or more others” (Dimaggio, 1991). Decentralization typically allows for state arts agencies to continue to still exist within various economic recessions and state arts agencies are aware that they rely and are extremely dependent (some more than others) on such allocation of funds. “According to the (NASAA’s) 1989 report, as reported by Dimaggio, *The State of the State Arts Agencies*, “Budgets vary greatly from year to year and from state to state. Depressed regional economies and state revenue shortfalls have contributed in the past 20 years to 28 agencies experiencing at least one 5-year period of declining budgets” (Dimaggio, 1991).

Getting state arts agencies and interagencies to work together adds to the growing challenges to state arts agencies where collaboration is often ignored or even looked at as a



double bind. Typically through NASAA, state arts agencies are encouraged to collaborate with other state arts agencies or various agencies within the state structure such as the agriculture or labor department. *Getting Agencies to Work Together: The Practice and Theory of Managerial Craftsmanship* (Bardach, 1998), defines collaboration as “any joint activity by two or more agencies that is intended to increase public value by their working together rather than separately” (Bardach, 1998). Bardach highlights two problems that prevent collaboration from occurring, the pluralism problem and the obsolescence problem.

The pluralism problem consists of political and institutional pressures on state arts agencies that push for differentiation rather than integration. The foundation of differentiation is a political issue rather than a technical issue. Additionally, the obsolescence problem is when the basis for differentiation is optimal. The older pattern of differentiation is obsolete due to various changes, problems, or solutions. State arts agencies are facing both problems where they are having political and institutional pressures that formulate a political rather than technical differentiation. They are experiencing older patterns of differentiation that create various changes, problems, or solutions to become rapidly obsolete. The pluralism problem and the obsolescence problem may prevent state arts agencies from being ideal and assist with the creation of “blind spot (s)”.

## **Conclusion**

Through discussing the role of state arts agencies, policy actors, assessments and advocates of state arts agencies, and the ideal state arts agency, the challenges that state arts agencies are currently facing become highlighted. By showcasing these issues, the importance of a collective agency where local, state, and federal agencies work together to provide assistance to arts organizations, projects, and programs becomes augmented. This augmentation demonstrates

how state arts agencies are the key to form a collective agency through policy actors and assessments. By identifying the blind spots of state arts agencies, state arts agencies can rejuvenate themselves to become more effective and productive at supporting the arts locally and nationally. Therefore, state arts agencies must preserve and expand the arts for the future generations. By adding economic development to state arts agencies' roles, would allow for the preservation to exist and for expansion to begin. The following chapter discusses how state arts agencies can utilize economic development within their roles.

## **Chapter 3: State Arts Agencies and Economic Development**

### **Introduction**

Maria Shriver, an award-winning journalist and author once stated, “*Art is fundamental, unique to each of us .... even in difficult economic times-especially in difficult economic times-the arts are essential*” (Shriver, 2010). The arts have the ability to act as the glue that connects the private and public sectors together to promote economic development. State arts agencies can facilitate that cohesion through economic development art programs and projects. However, this role of facilitating and supporting economic development art programs and projects is a new concept for several state arts agencies. Depending on the state and the state arts agency, the arts are not being used to their fullest potential in regards to economic development. In this chapter, The New York State Council of the Arts will be compared with the Oregon Arts Commission. This comparison demonstrates various challenges that both state arts agencies must overcome in order to fuse economic development with arts programs and projects. Furthermore, this comparison showcases how these state arts agencies could be a model on how to fuse industrial policy with the arts and open policy windows throughout America. First, industrial policy will be defined as well as how it can be fused with the arts.

### **Fusing Industrial Policy and the Arts**

Dani Rodrik in *Normalizing Industrial Policy* (2008) uses the term “industrial policy” to “denote policies that stimulate specific economic activities and promote structural change”. Therefore the term industrial policy is not narrowly defined to *industry*, but can also include broad sectors that experience market failures. Rodrik stresses that industrial policy does not need to be included in manufacturing but can also connect a variety of sectors or fields. Although Rodrik does not explicitly state that industrial policy is composed of the arts and cultural sector, the sector is an industry as well as a prominent cornerstone of tourism. The arts help us express our values, build

bridges between cultures, and bring us together. Most importantly, the arts are fundamental to our humanity. What cannot be underestimated is the ability of the arts to be a transcendent force of cultural transformation and a beacon of intercultural growth. When individuals invest in the arts, they invest in a product.

### **Issues in Industrial Policy**

There are several issues with industrial policy that Rodrik discusses in *Normalizing Industrial Policy* (2008). These issues include politics, controversies of *how* the government should support such agencies and businesses, and the complexity of the governmental system and its relationship with the private sector. Vis a vis these issues create a policy window. This window according to John Kingdon is, “where policy issues move onto the government agenda and toward decision and action” (Galligan & Burgess, 2005). Additionally, Galligan and Burgess (2005) pinpoint that policy windows have three streams that need to be opened in order for the decision and action to occur. These three streams are problem, policy, and political. However, it is important to stress that each of these streams must be opened at the same time in order for the product or the arts to flourish.

In regards to industrial policy and the arts, the problem stream involves harsh budget cuts that are limiting arts and cultural programs and projects. The budget cuts prohibit adequate grant funding for artists, arts institutions, schools and community groups, professional development, support in and out-of-school arts activities for young people, special initiatives to foster economic and civic development through the arts, arts curriculum development, and other critical needs. The policy stream involves the communities that advocate or advance arts programs and projects. The third stream, political, incorporates administration changes and the influence of public opinion. The arts have experienced a variety of administration changes and shifts due to public opinion. For example, during the culture wars, the debate that altered funding for the arts

was about whether or not the government would subsidize art programs and projects. The advocates who wanted the government to support the arts financially won and the arts were deemed appropriate for government support. Yet now, the current debate is *how* the government should financially support the arts. Since many arts organizations and agencies cannot sustain their programming and funding for such programs and projects with the current policy window, it jeopardizes their ability to continue in the future so as to provide quality arts education in communities. The need to alter industrial policy in order to save and rescue the arts from their publically supported demise is now more critical than ever. The challenge facing arts organizations is getting legislators and governors to support the arts not only at a public relations tact but to be fully committed to saving numerous arts programs and projects within each state.

Rodrik highlights the critiques of industrial policy with two points. The first is that “governments cannot pick winners” and the second is that “...industrial policy is an invitation to corruption and rent-seeking” (Rodrik, 2008). Industrial policy when referred to the arts is not an invitation to corruption and rent seeking but rather as a way to enable and inspire ingenuity, benevolence, and beauty. Furthermore, the three streams to open a policy window, problem, policy, and political demonstrate that it is possible for governments’ to pick their “winners” when it comes to the arts. For example, each state arts agency has adopted an application and a panel review process for granting funds to arts projects in programs these processes ensure that the quality of the artistic product, process, and services are held at a high standard. In addition to these processes, these funds makes the availability of the arts statewide and takes into consideration the management of these projects that the state arts agency will be funding.

Since each state arts agency is different in the way in which it scores applications and distributes the funding. For example, The Oregon Arts Commission, as do many state arts

agencies, has a panel process where panelists, “review funding applications against published review criteria and make recommendations for grant awards for programs of the highest artistic merit” (Oregon Arts Commission, 2010). Panel processes allow for a discussion and vote on each application that deem if the application is worth receiving funding from the Oregon Arts Commission. Each application at the Oregon Arts Commission is, “reviewed according to how well the proposal addresses the goals of the Commission, and the published review criteria for each grant program” (Oregon Arts Commission Panel Handbook, 2013). Each panelist at the Oregon Arts Commission votes on a scale from 1 to 5 for each application. This allows for panelists to rate the application’s artistic quality. Figure 4.1 demonstrates the description of each numeric point value at the Oregon Arts Commission.

Figure 4.1 The Oregon Arts Commissions Numeric Scale with Values

*The Oregon Arts Commission’s Panel Handbook*

- 5 -Outstanding** -The program in all ways thoroughly and creatively meets the program criteria.
- 4 -Excellent** -The program is of high caliber, and meets, and in some areas, exceeds the criteria.
- 3 -Good**-The program generally meets Commission criteria.
- 2 -Acceptable**-The program’s weaknesses are more apparent than, or equal to, its strengths, and does not meet all of the criteria.
- 1 -Poor** –The overall quality of the program is poor, and does not meet most of the criteria (Oregon Arts Commission, 2010)

After each Oregon Arts Commission panelist gives a numeric number to each application, then a combined numeral score ranks each application. This combined score acts as a guide for funding recommendations to the Commission. However, after the panel meeting, the state arts agency staff will prepare funding recommendations based on panel assessment scores, request amount, and available dollars. Thus deeming a “winner” who receives more funding than the other applications.

Like the Oregon Arts Commission, The New York State Council on the Arts also has a panel process that deems an application “winner”. However, The New York State Council has statutory

requirements. These requirements include three primary criteria that are numerically rated for each application. These three primary criteria are service to the public, artistic/programmatic excellence, and managerial/fiscal competence. Figure 4.2 demonstrates The New York State Council on the Arts' reasoning behind each of these primary criteria.

Figure 4.2 The New York State Council on the Arts' Three Primary Criteria for Evaluating Grant Applications

**The New York State Council on the Arts' Three Primary Criteria**

1. **Service to the Public:** As a public funder, NYSCA must ensure that its grants support a broad array of cultural activity that fully represents the diversity of the state and that the supported events are accessible to the broadest possible public in every region of the state. In addition, it must ensure that the organizations and events supported comply with public safety and accessibility laws.
2. **Artistic/Programmatic Excellence:** NYSCA believes in artistic excellence without boundaries, and its evaluation process embraces the widest variety of cultural and artistic expression being offered to the public in a broad array of settings and contexts, including classrooms and community centers, parks, open spaces, and traditional venues.
3. **Managerial/Fiscal Competence:** As a public funder, NYSCA must ensure that funded organizations are capable of carrying out their proposals and will be ethical and effective stewards of public funds.

(New York State Council on the Arts, 2004)

The New York State Council on the Arts is similar to The Oregon Arts Commission with its use of evaluating grant application with a numeral rating system. Like the Oregon Arts Commission panelist process, The New York State Council on the Arts allows for panelists to give a numerical value to the application. However, because of The New York State Council on the Arts' three primary criteria, each panelist at The New York State must assign a numerical value to the three primary criteria for each application. Additionally, instead of using a 1-5 scale, The New York State Council on the Arts uses a 1-9 scale to evaluate applications. For example, a panelist at The New York State Council on the Arts may assign a 9 to an application that demonstrates exceptional

artistic/programmatic excellence, a 5 on the same application that demonstrates good service to the public, and a 1 on the same application that demonstrates poor managerial/fiscal competence.

Figure 4.3 outlines The New York State Council on the Arts' rating system based on numerical values.

Figure 4.3 The New York State Council on the Arts' Rating System

<b>Rating System Score Chart</b>		
<b>Score</b>	<b>Descriptor</b>	<b>Additional Guidance on Strengths/Weaknesses</b>
9	Exceptional	Exceptionally strong (model and standard for field or discipline with essentially no weaknesses)
8	Outstanding	Extremely strong with negligible weaknesses
7	Excellent	Very strong with some minor weaknesses
6	Very Good	Strong with numerous minor weaknesses
5	Good	Strong but with at least one moderate weakness
4	Satisfactory	Some strengths but with some moderate weaknesses
3	Fair	Some strengths but with at least one major weakness
2	Marginal	A few strengths and a few major weaknesses
1	Poor	Very few strengths and numerous major weaknesses

**Minor Weakness:** An easily addressable weakness that does not substantially lessen impact.

**Moderate Weakness:** A weakness that lessens impact.

**Major Weakness:** A weakness that severely limits impact.

(New York State Council on the Arts, 2004)

Both The Oregon Arts Commission and The New York State Council on the arts deem a “winner” through the panel process through a numerical value system. Although these state arts agencies utilize different criteria and a numerical value scale, they rate each application to give more funding to applications that are deemed exceptional or outstanding. It is clear that the government, can pick winners especially within state arts agencies and their distribution of grants based the numerical values of panelists. Furthermore, Rodrik’s second critique on industrial policy as an invitation to corruption does not apply to state arts agencies. This is because state arts agencies are held accountable through their local, state, and national governments and



organizations as noted in chapter 1 of this document. With this in mind, industrial policy does not let state arts agencies and their applicants become “rent-seeking”. Simply, state arts agencies and their applicants receive funding from numerous governmental agencies and organizations like the National Endowment of the Arts (NEA). Simply, they do not rely on one source of funding. Although Rodrik’s critiques on industrial policy are flawed when applied to state arts agencies, critiques ensure effectiveness within the cultural policy field.

### **Effective Industrial Policy**

With the two critiques in mind, Rodrik (2008) also stated that there are three general principals about how institutions or agencies should be acting on industrial policy. The first principal is that an industrial policy must be “embedded” within a society so that the government and the private sector can collaborate. As Rodrik (2008) noted, “It is a model of *strategic collaboration and coordination* between the private sector and the government with the aim of uncovering where the most significant bottlenecks are, designing the most effective interventions, periodically evaluating the outcomes, and learning from the mistakes being made in the process” (Rodrik, 2008). For example, state arts agencies typically collaborate and coordinate with local, state, and even national business to advocate for various arts programs, projects, or initiatives. However, working with state arts agencies or any governmental arts agency does involve risks and can either be beneficial or disastrous for the agencies. As mentioned in *Arts and Nonarts Partnerships: Opportunities, Challenges, and Strategies* (2004), “reputations, constituent relations, organizational missions, and investment of time, money, and expertise” (Walker, 2004) are at stake within a partnership. It is due to these three investments that can foster a negative or a positive relationship and reputation between the governmental arts agency and the private sector.

As is in *Arts and Nonarts Partnerships: Opportunities, Challenges, and Strategies* (2004),

mentioned, “Success depends on each partner’s willingness and ability to live up to its part of the bargain” (Walker, 2004) and this is certainly the case between the partnerships of local, state, and federal arts agencies and the private sector. In order to gain this success and ensure that each partner lives up to its part of the bargain requires trust, dedication, and effective communication so that the liabilities and risks are limited. Therefore, embeddedness in regards to the arts is only effective when the liabilities and risks are limited.

The second effective tool that Rodrik (2008) showcases is the “carrots and sticks” where industrial policy must “...encourage investments in nontraditional areas (the carrot), but also weed out projects and investments that fail (the stick)” (Rodrik, 2008). Nevertheless, there must be an acceptance of failure at a certain rate where creativity and innovation promote various forms of projects or programs. For example, state arts agencies still fund arts programs and projects that are not deemed as the “winners”. They simply give the “looser” projects and programs a smaller amount of funds to see how much these programs and projects can impact an area and then increase their funds throughout the years. Furthermore, if these “looser” arts projects and programs cannot show their impact, then state arts agencies slowly will cut off their funds until ultimately these arts programs and projects fade away. The carrot in the arts industry policy is that arts projects and programs have the opportunity to develop, grow, and flourish with the assistance of state agencies.

On the other hand, the stick is that the state arts agencies can remove their funding at any point within the program or project if it is not demonstrating a positive impact for individuals or a community. As Rodrik (2008) stated, “The appropriate question therefore is not whether a government can always pick winners—it shouldn’t even try—but whether it has the capacity to let the losers go” (Rodrik, 2008). To answer Rodrik’s question, state arts agencies are working to

limit their ability to fund “winners” and create a panel review process where “losers” can be funded equitably. However, state arts agencies have the ability to let “losers” go due to the highly competitive funds for arts projects and programs plus they have instilled mechanisms to identify when arts programs or projects are not producing the standards that each state arts council articulates.

The third and final tool for effective industrial policy is accountability. Through mandates, subsidizes, and laws, the arts are constantly being assessed on their accountability. In addition to the panel process, arts program and projects are monitored through a variety of governmental agencies. These agencies are formed at local, state, and federal levels to ensure that each agency is held accountable for financially supporting and brining awareness about arts programs or projects. The current partnership between federal arts agencies and state and local agencies is filled with the constant monitoring of the risks and liabilities within the governmental system. It is through effective communication and trust that this monitoring of local and state arts agencies occurs from federal arts agencies. An example of this monitoring from a federal arts agency is The National Endowment of the Arts (NEA). The NEA is one federal arts organization within the governmental system that supports the arts that are monitored by the federal government. However, the NEA like most arts agencies is influenced through politics and economic fluctuations. The NEA receives its funds through Federal taxes and then divides this sum of money to the state arts agencies throughout America (National Endowment for the Arts, 2012). The relationship or roles between the NEA and the state and local arts agencies is described in Jeffrey Love’s article, *Sorting Out Our Roles: The State arts agencies and the National Endowment for the Arts* (1991), as complicated. This complexity is caused by the overlapping of duties and can create unsustainable use of an agencies expertise, time, and money

and can lead to various outcomes or directions for an agency. In return, this can cause a negative perception of an agency like the NEA for being inefficient or unproductive and can spark miscommunication between state and local arts agencies and the NEA.

Similar to being influenced through politics, economic fluctuations, overlapping of duties, and complexities like the NEA, state arts agencies' partnerships with local agencies rely heavily on the NEA. State arts agencies are supposed to be the "conduit" or a liaison between the local organizations and the federal arts organizations like the NEA. Each state arts agency is associated with the Office of the Governor and is included in the state budget. Since the economic downturn starting in 2007, many arts agencies have endured extreme budget cuts and currently struggling to survive in the existing economic situation. However, local arts organizations and individuals rely on the state arts agencies to fund project or programs through the state arts agencies grant process. Every state arts agency functions differently but the state arts agency's employees' duties are complex and complicated due to the constant monitoring of various programs and projects. These employees ensure that the arts programs and projects are held accountable to the guidelines articulated by the NEA.

### **Industrial Policy and the Arts in Oregon**

According to *The Arts and The Economy: Using Arts and Culture to Stimulate State Economic Development* (National Governors Association, 2009), Oregon has implemented the Creative Vitality Index systems that track provide some perspectives on cultural activities. Like most states, Oregon, has a strategic plan that outlines the state's economic goals.

"Its 2007–2009 plan cites capacity-building for Oregon's cultural assets—namely arts and cultural organizations, creative businesses, and individual artists—as critical to the state's ability to retain, expand, and attract businesses. This plan lays the foundation for

specific capacity-building and business development strategies that have been adopted by the state's Arts Commission, Cultural Trust, Film Commission, Heritage Commission, State Historic Preservation Office, and other agencies" (National Governors Association, 2009).

However, The Oregon Business Plan does not feature Rodrik's three principles and does not include capacity building for Oregon's cultural assets. In regards to the arts and cultural community, The Oregon Business Plan is lacking with respect to arts and culture. Additionally, It lacks embeddedness even though it was founded on embeddedness because the individuals who could follow through and monitor the plan are voluntary not government workers, because it is not an official document government document passed by the state legislator. It makes enforcing the Oregon Business Plan nearly impossible. In order for this document to become a reality a progress board or a committee with a mix of constituents, individuals within the private business sector, and government employees needs to be created. Next, this board or committee must create an official document to monitor and enforce the relationship with the private business sector and the government. Since the government does not control the private sector but has a big role in which the sector could flourish, it would require the Oregon Business Plan to include a carrot and stick mechanisms. However, first the Oregon Business Plan would need to include the private sector and combine embeddedness with the carrot and stick to ensure accountability and autonomy. By doing this, the public employees would be able to monitor the private sector and in return, the private sector would be able to monitor the government.

Furthermore, The Oregon Business Plan is completely missing the arts. This is troubling because according to the *Arts & Economic Prosperity IV* study the nonprofit arts and culture sector are a \$45.6 million industry in the City of Eugene, one that supports 1,739 full-time

equivalent jobs and generates \$2.4 million in local and state government revenue (Americans For the Arts, 2012). Plus The Oregon Arts Commission, Oregon's state arts agency, was not included in the stakeholder town hall meetings. This is troubling for a state that has a city where the motto is "A great city for the arts and outdoors" (Associated Press, 2010). With this in mind, the Oregon Arts Commission could partner with The Oregon Business Plan board; once it is established and creates a program and project grant that is heavily focused on economic development and community building.

These projects or programs would encourage participation in the arts through promotion, revitalize and improve neighborhoods, plus strengthen the role of the arts many communities throughout the state. Most importantly, these projects and programs would create and retain jobs plus expand business opportunities and capitalize on cultural tourism initiatives. By creating, implementing, and accessing these arts based economic development projects and programs would encompass Rodrik's (2008) three principles for effective industrial policy because it would open a policy window where embeddedness, carrots and sticks, and accountability are the foundation to fuse industrial policy with the arts. However, this plan does have potential if it partnered with the Oregon Arts Commission to create a grant project and program that fused the arts with industrial policy. Yet, it must implement a progress board or committee that was not based on volunteerism. With the current budget constraints and tax cuts, finding individuals to serve on this committee or board may be challenging. Oregon must transition into "STEAM", science, technology, engineering, arts and math, instead of just "STEM", science, technology, engineering, and math. By fusing industrial policy with the arts specifically with the Oregon Arts Commission, the Oregon Business Plan would ignite economic development and could be a

model of success for other state arts agencies and economic development councils throughout the nation.

### **Industrial Policy and the Arts in New York**

In May 2012, The New York State Council on the Arts (NYSCA) implemented a new grant program with a partnership with the Regional Economic Development Council (REDC). This Art Project Grant program has shown the significance of funding arts project that create economic development. Figure 4.4 highlights the Art Project Grant's criteria. According to a message to all New York State Council on the Arts Applicants (NYSCA, 2012), "The Council is very pleased to have an Art Project Grant program with an allocation of \$4M. The minimum grant award will be \$50,000. Applications are welcome from single organizations or partnerships" (NYSCA, 2012). Although many organizations and projects could have benefited from this Art Project Grant, many individuals were skeptical about whether this Art Project Grant was a program that a state arts agency should administer or a role that the agency should take on.

In fact, on June 18 2012<sup>th</sup> the article *Additional \$4 Million for Arts Funding, But Who Will Benefit?* by Georgia Kral, was released in the Metro Focus. According to Kral, "While more funds for the arts is reason to celebrate, sources say, the scope for eligible projects for this pool of money is different than NYSCA's. The additional funds, administered by NYSCA on behalf of the REDC, require a separate and different application, due by mid-July" (Kral, 2012). This left several of the policy actors wondering who will benefit from The New York State Council on the Arts' new role and Art Grant Program due to the size of the grants and NYSCA's overall purpose of funding and supporting communities. Kathryn Giaimo stated, "The NYSCA application is about the art, this application is not" (Kral, 2012). Since NYSCA administered the

Art Project Grant, the Art Project Grant applications were held accountable through NYSCA's criteria and rating system. This allowed for NYSCA to be a pioneer in the way state arts agencies support and administer a grant program based on a partnership specific for economic development. Although, NYSCA's Art Project program was highly controversial, it is an innovative way to open policy windows through a partnership.

Figure 4.4: NYSCA's REDC Art Project Grant Criteria

- Art Project Grant Criteria
1. Encourage participation in the arts through promotion
  2. Revitalize and improve neighborhoods
  3. Strengthen the role of arts in a community
  4. Create or retain jobs
  5. Expand business opportunities or develop cultural tourism initiatives.

(NYSCA, 2012)

Unlike the Oregon Business Plan, NYSCA's REDC Art Project program is an example of how Rodrik's (2008) three principles for effective industrial policy, opens a policy window. This policy window allows embeddedness, carrots and sticks, and accountability to form the foundation of fusing industrial policy with the arts. By fusing industrial policy with the arts, NYSCA's REDC Art Project program creates a model for other state arts agencies like the Oregon Arts Commission and economic development councils throughout the nation. Even though each state arts agency is unique, every state would benefit from an Art Project program where economic development is at the forefront of every grant proposal and application.

## **Conclusion**

This chapter highlighted two state arts agencies that have had various degrees of fusing economic development with the arts. Overall, the Oregon Business Plan does not live up to



Rodrik's notions of effective industrial policy because it lacks embeddedness, carrots and sticks that then limit accountability. On the other hand, New York State Council on the Arts' REDC Art Project Program does comply with Rodrik's notions of effective policy. Simply, it showcases how state arts agencies can implement accountability that promotes carrots and sticks which then exudes embeddedness. State arts agencies are the key to connecting the private and public sectors together to promote economic development. However, these agencies must expand their roles and gain the constituents support to incorporate economic development into their program and project streams. Although there are barriers and challenges that state arts agencies must overcome in order to fuse economic development with arts projects and programs, state arts agencies can overcome these barriers and challenges especially when policy windows are opened with industrial policy.

#### **Chapter 4: A Vision for the Future of State Arts Agencies**

State arts agencies are evolving to survive the changing economic and political spheres. They are not strangers to this constant evolution, as highlighted during the 1980's culture wars where the NEA implemented various policies to change funding and programming for state arts agencies. In turn, this impacted local arts agencies. To address the changes from the economic and political spheres, state arts agencies rely heavily on arts advocacy and key policy players within the arts and cultural policy field. There is no doubt that this reliance is still occurring but the need to incorporate economic development within their roles would increase the potency of state arts agencies. Unfortunately, state arts agencies as a whole, are not creating economic development projects and programs as their most important priority. In order to expand the role of state arts agencies to include economic development projects and programs, state arts agencies must realize the benefits of including economic development within the role will create more awareness and funding towards these agencies.

Through an in-depth review of literature on state arts agencies and economic development focused on industrial policy, this paper sought to explore ways in which state arts agencies would be able to incorporate economic development within their role. The website analysis suggested that very few state arts agencies are incorporating economic development within their role. However, the state arts agencies that are currently fusing their role with economic development focused programs and projects, are making these programs and projects a significant priority. It was within the case studies of this study that this became apparent where one state arts agency incorporated industrial policy through their economic development granting cycle and the other agency did not even have documents supporting the arts within the state business plan.

This paper presents this argument for mixing state arts agencies with economic development to support constituents and improve the quality of life. However, this paper is a call for a greater examination of the future of the arts and culture field, specifically, advocacy to open policy windows through economic development within the arts policy domain. Some potential questions for future research include:

- How can economic development projects and programs be supported by every state arts agency?
- Can a database for state arts agency policy actors be created?
- How can economic development become mainstreamed within every state arts agency in America?
- How can state arts agencies contribute to economic development regionally and nationally?
- What are common barriers that state arts agencies are currently facing to implement economic development programs and projects? What are the tools or techniques that can help them overcome these barriers?

To create and implement one standard procedure or action for each state arts agency to incorporate economic development into their role is simply impossible because of each state arts agency's unique perspective. Yet the future for state arts agencies is wagering on how they incorporate these granting cycles into their functions. State arts agencies have the ability to create a foundation that showcases how a partnership between two fields like cultural policy and economic development can assist their constituents by creating financial and economic stability.

Ultimately, the future of state arts agency is the decision of each agency. Therefore, the future for these agencies may be positive or negative depending on the agency.

With this in mind, the advice for state arts agencies is to remove the “blind spots” for state arts agencies and open a policy window by utilizing industrial policy as a tool to fuse economic development within their roles. Furthermore, the Oregon Arts Commission and the Pennsylvania Council on the Arts must be aware of how the New York State Council on the Arts has incorporated economic development into their role as an example. As the United States heads into an uncertain financial future it would behoove state arts agencies to utilize all of their resources at the disposal. Furthermore the ramifications if state arts agencies became obsolete in the 21<sup>st</sup> century, it would have dire consequences on our nations future.

## References

- Adams county arts council*. (2012). Retrieved from <http://www.emmitsburg.net/acac/index.htm>
- Americans For the Arts. (2012). *Arts & economic prosperity IV in the city of Eugene*. Retrieved [http://www.artsusa.org/information\\_services/research/services/economic\\_impact/default.asp](http://www.artsusa.org/information_services/research/services/economic_impact/default.asp)
- Arts, B., & Tatenhove, J. V. (2004). Policy and power: A conceptual framework between the 'old' and 'new' policy idioms. *Policy Sciences*, 34(3/4), pp. 339-356. Retrieved from <http://www.jstor.org/stable/4532637>
- Bardach, E. 1998. *Getting agencies to work together: The practice and theory of managerial craftsmanship*. Washington, D.C: Brookings Institution Press.
- Barsdate, K. 2001. *Information Sources for State Level Arts Policy: Current Resources and Future Needs* The Cultural Policy Center University of Chicago
- Benedict, S. Editor. 1991. *Public Money and the Muse* The American Assembly Columbia University.
- Biddle, L. 1984. Our Government's Support for the Arts: Nourishment or Drought *Annals of the American Academy of Political and Social Science*, Volume 471, pp. 89-101.
- Binkiewicz, D. M. 2004. *Federalizing the muse: United States arts policy and the National Endowment for the Arts 1965-1980*. Chapel Hill, NC: The University of North Carolina Press.
- Cammann, C., Fichman, M., Jenkins, D., & Klesh, J. (1979). *The Michigan Organizational*

- Assessment Questionnaire*. Unpublished manuscript, University of Michigan, Ann Arbor, Michigan.
- Cherbo, J. M., & Wyszomirski, M. J. (2000). *The public life of the arts in America*. New Brunswick, N.J: Rutgers University Press.
- Crossen, F. (2011). Research philosophy: towards an understanding. *NURSE Researcher*, 11(1), 46-55. Retrieved from Crossen, Frank. "NURSE Researcher." *NURSE Researcher*. 11 .1 (2011): 46-55. Web. 19 Nov. 2012.
- DiMaggio, P. J. 1991. Decentralization of arts funding from the federal government to the states. In *Public money and the muse: Essays on government funding for the arts*, ed. S. Benedict, 216-253. New York, NY: W.W. Norton & Co.
- Dworkin, D. (1991). State advocacy in the arts: A historical overview. *Journal of Arts Management, Law & Society*, 21(3), 199.
- Galligan, A., & Burgess, C. (2005). Moving rivers, shifting streams: Perspectives on the existence of a policy window. *Arts Education Policy Review*, 107(2), 3-11.
- Hibbard, M. (2012). *Socio-economic development planning course syllabus*. Informally published manuscript, University of Oregon.
- Jane, M., & Wyszomirski. (1995). Federal cultural support: Toward a new paradigm?. *Journal of Arts Management, Law & Society*, 25(1), 69.
- Kral, G. (2012, June 18). Additional \$4 million for arts funding, but who will benefit?. *Metro Focus*, Retrieved from <http://www.thirteen.org/metrofocus/2012/06/additional-4-million-for-arts-funding-but-who-will-benefit/>
- Love, J. (1991). Sorting out our roles: The state arts agencies and the national endowment for the arts. *The Journal of Arts Management and Law*, 21(3), 215-226.

- Mulcahy, K. (2002). The state arts agency: An overview of cultural federalism in the United States.
- NASAA. (2012). Advocacy and lobbying: Speaking up for the arts. *The NASAA Advocate: Strategies for building arts support*, X (1),
- NASAA. (2012). Forty action strategies. *The NASAA Advocate: Strategies for building arts support*, V (4),
- NASAA. (2012). The arts in public policy: An advocacy agenda. *The NASAA Advocate: Strategies for building arts support*, VI (1),
- NASAA. (2012). Tough times: Advocacy strategies in an economic downturn. *The NASAA Advocate: Strategies for building arts support*, XII (1),
- National assembly of state arts agencies. (2012). Retrieved from <http://www.nasaa-arts.org/>
- National endowment for the arts. (2012). Retrieved from <http://www.nea.gov/about/index.html>
- National Governors Association. (2009, January 09). *Arts & the economy: Using arts and culture to stimulate state economic development*. Retrieved from <http://www.nga.org/cms/home/nga-center-for-best-practices/center-publications/page-ehsw-publications/col2-content/main-content-list/arts--the-economy-using-arts-and.html>
- NYSOA. (2012, April 05). *Nysca 2012-13 grant review cycle updates*. Retrieved from [http://www.nysca.org/public/email/2012-04-05\\_To\\_Applicants.html](http://www.nysca.org/public/email/2012-04-05_To_Applicants.html)
- New York State Council on the Arts. (2004). *Rating system: Nysca*. Retrieved from <http://www.nysca.org/public/grants/rating.htm>
- Oregon Arts Commission. Oregon Arts Commission, (2010). *Panel handbook*. Retrieved from [http://www.oregonartscommission.org/sites/all/themes/sky/pdf/Panel\\_Handbook\\_12-2010.pdf](http://www.oregonartscommission.org/sites/all/themes/sky/pdf/Panel_Handbook_12-2010.pdf)
- Pennsylvania council on the arts. (2012). Retrieved from <http://www.pacouncilonthearts.org/>

- Plant, D. (2007). *Zora neale hurston: a biography of the spirit*. Westport, Connecticut: Praeger Publishing.
- Rodrik, D. (2008). Normalizing industrial policy. *The Commission on Growth and Development*, 3, 1-50.
- Shriver, M. (2010, June 25). Art is fundamental--and fundamental to support. *The Huffington Post*. Retrieved from [http://www.huffingtonpost.com/maria-shriver/art-is-fundamental---and\\_b\\_626294.html](http://www.huffingtonpost.com/maria-shriver/art-is-fundamental---and_b_626294.html)
- The Associated Press. (2010, May 07). *Eugene dials back its slogan*. Retrieved from [http://www.oregonlive.com/news/index.ssf/2010/05/eugene\\_dials\\_back\\_its\\_slogan.html](http://www.oregonlive.com/news/index.ssf/2010/05/eugene_dials_back_its_slogan.html)
- Walker, C. (2004). *Arts and Nonarts Partnerships: Opportunities, Challenges, and Strategies*. DC: Urban Institute.
- Wyszomirski, M. (1995). Policy communities and policy influence: Securing a government role in cultural policy for the twenty-first century. *Journal of Arts Management, Law & Society*, 25(3), 192.
- Wyszomirski, M. (1998). The arts and performance review, policy assessment, and program evaluation: Focusing on the ends of the policy cycle. *Journal of Arts Management, Law, & Society*, 28(3), 191.



## Appendices

APPENDIX A  
Document Analysis Worksheet

1. NAME OF DOCUMENT:
2. TYPE OF DOCUMENT (Circle one)
  - Newspaper
  - Map
  - Press Release
  - Report
  - Law
  - Budget
  - Census Report
  - Congressional Record
  - Other
3. DATE (S) OF DOCUMENT:
4. KEY WORDS:
5. AUTHOR OF THE DOCUMENT & TITLE:
6. FOR WHAT AUDIENCE WAS THE DOCUMENT WRITTEN?
7. DOCUMENT INFORMATION
  - List key points about what the author stated that can be applied to state arts agencies and/or socio-economic development?
  - Why was this document written? What evidence helps direct why it was written?
  - What was life in the United States when this document was written? What lead you to this conclusion?
  - What are some questions that the author left unanswered or didn't articulate clearly?

APPENDIX B  
Website Analysis Worksheet

1. NAME OF WEBSITE:
2. DATE OF WEBSITE ACCESESED:
3. WEBSITE URL:
4. DATE (S) OF LAST REVISION OF WEBSITE:
5. KEY WORDS:
6. AUTHOR OR ORGANIZATION OF WEBSITE:
7. FOR WHAT AUDIENCE WAS THE WEBSITE WRITTEN?
8. WEBSITE INFORMATION
  - a. List key points about what the website stated that can be applied to state arts agencies and/or socio-economic development?
  - b. Why was this website written? What evidence helps direct why it was written?
  - c. What was life in the United States when this website was written? What lead you to this conclusion?
  - d. What are some questions that you have after looking at this website?
  - e. Are there some future links to other websites that would assist with your research (snowballing)?

Appendix C  
Course Progress Report

1. NAME OF COURSE:
2. WEEK (? /10):
3. READINGS AND AUTHORS FROM WEEK:
4. PROJECTS FROM WEEK:
5. KEY WORDS OR PHRASES:
6. List key points about what you learned from this course and how can they be applied to state arts agencies and/or socio-economic development?
7. How have this week's readings and/or projects contributed to my research?
8. What are some questions that you have after doing the readings and/or projects?
9. Are there questions that you would like to explore for next week's reading and/or topics?
10. How have state arts agencies and socio-economic development been fused together in this week's readings and or projects?
11. Is there evidence from this week's readings and/or projects that state arts agencies are necessary for socio-economic development?
12. Is there evidence from this week's readings and/or projects that state arts agencies are NOT necessary for socio-economic development.